

**This week, the Justice Secretary, Robert Buckland, announced that the Government will scrap planned increases to probate fees which were due to be introduced in 2020.**

Under the proposals, the current flat fees for making probate applications, which apply regardless of an estate's value, of £215 for individuals and £155 for those applying through a solicitor, would have been replaced by scaled fees according to the value of a deceased's estate:

Estate Value	Proposed Fee
£2m+	£6,000
£1.6-£2m	£5,000
£1m-£1.6m	£4,000
£500,000-£1m	£2,500
£300,000-£500,000	£750
£50,000-£300,000	£250

The upside for estates valued at less than £50,000, under the proposals, was becoming exempt altogether, compared with the current lower threshold of £5,000. Nonetheless, the proposals were estimated to affect one in five families who pay fees, who would still have needed to find at least £2,500 in cash at the outset of an administration of an estate.

A sense of *déjà vu* will be strong among practitioners as the fee hikes were first proposed by the Government in 2016, with huge increases in fees from £155 to as high as £20,000 for estates over £2m suggested, before those plans were also shelved prior to the 2017 snap general election. The hikes later re-emerged in a watered-down form in November 2018, which the current Justice Secretary has now scrapped in his announcement.

Mr Buckland said he had concluded that the fee rises were “not fair or proportionate”, stating that “we will withdraw these proposals and keep the current system while we take a closer look at these court fees as part of our annual wider review.”

Successive government moves to increase fees have been notably unpopular in the press, with outlets pointing to families with asset heavy estates, where cash may not be readily available. Higher probate fees could lead to incremental loans to cover those costs. Many proclaim the fees as an unfair ‘stealth tax’ on estates of higher value, in addition to already significant inheritance tax bills.

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It remains to be seen whether significant increases to probate fees are finished for good, but the political timing of this move will not be lost on onlookers. However, it is worth noting from the Justice Secretary's comments that a review of probate fees will remain a part of ongoing annual reviews.

Government sources (although notably not the Justice Secretary) have subsequently been reported as suggesting that they envisage only small adjustments arising from any future reviews. Nevertheless, some may remain sceptical at their pointed claims reported in one national newspaper that "any plan to charge people thousands of pounds is, quite simply, dead and buried."

The Estate Planning and Trusts team at Meridian Private Client LLP are experienced at dealing with all aspects of estate planning to mitigate the individual's exposure to inheritance tax, as well as planning for all personal taxes and succession issues. Contact the team to arrange an appointment to discuss your affairs.

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This article was produced on 16 October 2019. It should not be relied upon as legal advice as individual circumstances will differ.

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